



Board of County Commissioners (BCC)

Meeting: 05/25/21 05:00 PM

Department: Finance
Prepared By: Jenny R. Haikin
Director: Shirley Ragin
DCM: Shirley Ragin
Sponsors: Julie Morgas Baca

Title: American Rescue Plan Act (ARPA) Funding

Action:

Motion to:

1. Approve Financial Resolution **FR 2021-58** to accept and budget the American Rescue Plan Act (ARPA) funding in the amount of \$65,955,646.50.
2. Approve Financial Budget Resolution #2 **FR 2021-59** establishing the County of Bernalillo Carryover Budget for the American Rescue Plan Act (ARPA) fund of \$65,955,646.50 for FY22.
3. Authorize the County Manager and staff to commence analysis of water, sewer, and broadband projects for consideration of funding under ARPA.

Summary:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 (H.R. 1319) into law. This \$1.9 trillion package, is intended to combat the COVID-19 pandemic, including the public health and economic impacts.

The U.S. Department of Treasury has set up a Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) that will provide \$350 billion in federal fiscal recovery aid for state and local governments. Amounts paid to States, the District of Columbia, U.S. Territories, and eligible units of local government are based on population as provided in the ARP Act. \$65.1 billion in federal aid will be distributed to counties based on the county share of the U.S. population. Counties with a population of at least 50,000 will receive direct federal aid. The ARPA directs Treasury to use U.S. Census Bureau data for the most recent year for which data is available.

Bernalillo County was identified as an eligible local government and has submitted its online certification for receipt of the funds. Approval of the motions will enable the County to accept and budget the funds and for staff to commence analysis of applicable projects.

The ARP Act allows direct allocation payments from the CSLFRF to be used in the following ways:

- (1) **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- (2) **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted

industries, and the public sector;

- (3) **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- (4) **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- (5) **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The American Rescue Plan Act also allocates hundreds of billions of dollars for public health and vaccines, assistance for vulnerable populations, education and housing stabilization, economic recovery assistance and direct assistance for families and individuals.

The motions being presented are:

MOTION 1: FINANCIAL RESOLUTION TO ACCEPT AND BUDGET THE AMERICAN RESCUE PLAN ACT (ARPA) FUNDING

Bernalillo County will receive a total of \$131,911,293.00. The distribution of the funding will be in two 50% direct allocations (tranches) each of \$65,955,646.50; the first one was received on May 19, 2021 and the second will be delivered 12 months later. The deadline to expend funds is December 31, 2024. This motion is to accept the funds which will be recorded in a Special Revenue Fund.

MOTION 2: FINANCIAL BUDGET RESOLUTION #2

Estimated carryover budget for the American Rescue Plan Act (ARPA) funds (life-to-date funds) based on the upcoming yearend deadlines and likelihood funds may not be encumbered or expended in FY21. This motion ensures that any available unencumbered funds will automatically carryover into FY22 allowing APRA funding to be available on July 1, 2021 (beginning of FY22). The final budget will be presented to the Commission in September 2021 and if necessary, the figures will be trued up to accurately reflect FY21 yearend balances.

MOTION 3: WATER, SEWER AND BROADBAND PROJECT ANALYSIS

The fifth eligible use of the funds applies to water, sewer and broadband infrastructure projects. The guidance defines the types of projects and specific requirements within each category. This motion allows staff to evaluate the following projects to be funded with ARPA funds adhering to the guidance from the US Department of the Treasury:

Table 1:

Project Name	Commission District	Description
East Mountain Broadband Backbone Infrastructure	5	To plan, design, construct and install conduit and fiber along NM 337, NM 217 and NM 333 (I-40 Frontage Road) in Bernalillo County.
MDC Water and Sewer Improvements	All	To plan, design, construct a municipal sewer system and facility improvements including that will improve and renovate the public restrooms for ADA compliance and construct new waste vacuum system, upgrade exterior lighting and apply MDC block wall sealant on the building's exterior and related equipment and installation.
Fiber Optics Communication System	All	To plan, design, purchase and install a fiber optics communication system among County facilities.
Westside Broadband and Fiber Optic Infrastructure Expansion	2	Will bring the opportunity for direct access to education and health care for residents who are otherwise forced to travel long distances for college courses and/or medical treatment. This enhanced infrastructure will also allow residents that live in this area to work from home.
South Valley Water System	2	Provide water service to residents in the southwest valley area of Bernalillo County to the developed areas. Project will consist of a transmission line from the the east side of the river servicing the area, transmission line from West Mesa reservoir.
Bosque Non-potable Water Reclamation Plant and Reuse System	All	Consistent with Water 2120, this project extends the utility's water resources through conservation and direct and indirect potable reuse. The Bosque project would provide non-potable water for industrial purposes and irrigation needs to parks, schools, and golf courses. The Water Authority has secured the land for the construction and operation of the new wastewater treatment plant and has also completed the feasibility study required by the Bureau of Reclamation under the Title XVI requirements. The feasibility study was approved by the Bureau of Reclamation and is eligible to move forward towards NEPA with this authorization. This project will provide 3 to 5 million gallons per day (3,000 – 7,000 acre-feet per year) of non-potable reuse water for the westside of Albuquerque including parks, golf courses and potentially for industrial uses. The facility is planned as part of the Water Authority's 100-year water plan and will consist of a new completely enclosed wastewater reuse plant, reservoir to store the water and pipelines to distribute the non-potable water to the various irrigation and industrial sites. In the winter when water demands are lower, the purified effluent will be discharged to the Rio Grande. The new wastewater reuse plant will be located on Water Authority property just north of the Bosque High School and education will be a central part of the facility. The Water Authority received funding from the NM State Legislature and is also proceeding with this project. The first phase which is underway includes finalizing the layouts for the facility (conceptual design) and submission of a NPDES permit to discharge to the Rio Grande south of Montano Road. The Water Authority is seeking funding to complete the first phase and to begin the second phase that consists of preliminary and final design. The last phase would be the construction of the facility and that could be completed in smaller phases consistent with extension of the pipelines to the irrigation sites.
Any potential Water, Sewer or Broadband Project not currently identified.	All	Any potential Water, Sewer or Broadband project not currently identified.

Attachments:

- Financial Resolution ARPA (PDF)
- FR2-American Rescue Act Fund Carryover Budget FY22 (PDF)
- Financial Analysis Form ARPA (XLSM)
- ARPA_AcceptanceOfAwardTerms_unsigned_5-10-2021 (PDF)
- ARPA_SLFRP-Quick-Reference-Guide-FINAL-508a_5-10-2021 (PDF)
- ARPA_SLFRP-Fact-Sheet-FINAL1-508A_5-10-2021 (PDF)

Staff Analysis Summary:

Procurement & Business Services Steven Baca Review Completed 04/30/2021 3:54 PM

Action Memo 13525: No comment required on the proposed motions; however, proper Purchasing procedures will be followed for any and all related procurements. Steven Baca, Purchasing Administrator, 4/29/2021

Risk Management Destry Hunt Review Completed 05/03/2021 10:58 AM

Risk Management has reviewed and supports the motion to approve American Rescue Plan Act (ARPA) Funding. Destry Hunt, Policy and Planning Administrator, 5/3/2021.

Budget Jennifer Gallegos Review Completed 05/05/2021 11:10 AM

Legal Theresa Baca Sandoval Review Completed 05/06/2021 12:13 PM

Approved as to form. TBS 5/6/2021.

Finance Shirley Ragin Review Completed 05/18/2021 1:02 PM

Reviewed and recommend approval. The county will receive a direct allocation of the American Rescue Plan Act (ARPA) funding of \$132.9 million from the US Department of the Treasury. The county will receive \$65.9 million of the funds in May 2021 and the remainder in May 2022. These funds will stimulate the economic growth of the county through water, sewer, and broadband infrastructure and other initiatives to recover from the impacts of the COVID-19 pandemic. The deadline to spend the funds is December 31, 2024. SMR 5/18/2021

County Manager Julie Anne Baca Review Completed 05/18/2021 1:19 PM

This agenda item will be the first in a series over the next few years for ARPA funding. Motions include accepting and budgeting the first tranche of federal funds, as well as preliminary approvals for various ARPA-eligible infrastructure projects that will come back to the board for detailed and contractual approvals after further staff analysis. I recommend approval. JMB 5/18/21

Board of County Commissioners Julie Anne Baca Meeting Completed 05/25/2021 5:00 PM

RESULT: ADOPTED [UNANIMOUS]

MOVER: Walt Benson, Member, District 4

SECONDER: Charlene E. Pyskoty, Chair, Member, District 5

AYES: Pyskoty, Quezada, O'Malley, Barboa, Benson

BERNALILLO COUNTY
BOARD OF COUNTY COMMISSIONERS
FINANCIAL RESOLUTION NO. 2021-58

To request the following BUDGET INCREASE for the purpose of accepting and budgeting funds from American Rescue Plan Act (ARPA) funding to support combatting the COVID-19 pandemic, including the public health and economic impacts.

WHEREAS, at a regular meeting of the BOARD OF COUNTY COMMISSIONERS OF BERNALILLO COUNTY, held on May 25, 2021, the following was among the proceedings:

<u>Source:</u>	<u>Amount</u>
ARPA Funding	
12501-200203-465010-TBD	65,955,646.50
TOTAL SOURCES	65,955,646.50
<u>Expenditure:</u>	
APRA Expenditures	
12501-200203-565010-TBD	65,955,646.50
TOTAL EXPENDITURES	65,955,646.50

WHEREAS, the above budget increase is necessary, and funds are available from the above stated source.

WHEREAS, after approval from the Department of Finance and Administration, Local Government Division, the above action shall be taken and all necessary adjustments shall be made.

CONTINUATION PAGE 2, FINANCIAL RESOLUTION **FR 2021-58.**

NOW, THEREFORE, be it resolved by the Board of County Commissioners, the governing body of the County of Bernalillo that this budget increase having been duly heard is hereby adopted this 25th day of May, 2021.

BOARD OF COUNTY COMMISSIONERS

Charlene E. Pyskoty, Chair

Steven Michael Quezada, Vice Chair

Debbie O'Malley, Member

Adriann Barboa, Member

ATTEST:

Walt Benson, Member

Linda Stover, County Clerk

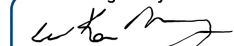
REVIEWED BY:


Shirley Ragin

18A1D58D4B7B46D...

Shirley Ragin, Deputy County Manager for Finance

APPROVED AS TO FORM:


W. Ken Martinez

8CDEE34E6D6147D...

W. Ken Martinez, County Attorney

Certificate Of Completion

Envelope Id: 2899B7DB4C414DD6A42B73C31924C566

Status: Completed

Subject: You have a pending request to eSign a document

Source Envelope:

Document Pages: 2

Signatures: 2

Envelope Originator:

Certificate Pages: 2

Initials: 0

Julie Anne Baca

AutoNav: Enabled

707 17th Street Suite 4000

Enveloped Stamping: Enabled

Denver, CO 80202

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

jubaca@bernco.gov

IP Address: 69.5.90.9

Record Tracking

Status: Original

Holder: Julie Anne Baca

Location: DocuSign

5/25/2021 7:53:18 PM

jubaca@bernco.gov

Signer Events

Shirley Ragin

sragin@bernco.gov

Deputy County Manager

eSign

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:



18A1D58D4B7B46D...

Signature Adoption: Pre-selected Style
Using IP Address: 160.230.248.39**Timestamp**

Sent: 5/25/2021 7:53:19 PM

Viewed: 5/25/2021 7:54:04 PM

Signed: 5/25/2021 7:54:13 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

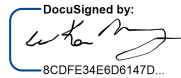
Ken Martinez

kenmartinez@bernco.gov

eSign

Security Level: Email, Account Authentication
(None)

DocuSigned by:



8CDFE34E6D6147D...

Signature Adoption: Drawn on Device
Using IP Address: 73.98.9.195
Signed using mobile

Sent: 5/25/2021 7:54:13 PM

Viewed: 5/25/2021 10:25:26 PM

Signed: 5/25/2021 10:25:37 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

5/25/2021 7:53:19 PM

Certified Delivered

Security Checked

5/25/2021 10:25:26 PM

Signing Complete

Security Checked

5/25/2021 10:25:37 PM

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	5/25/2021 10:25:37 PM
Payment Events	Status	Timestamps

BERNALILLO COUNTY
FINANCIAL RESOLUTION NO. 2021-59

FISCAL YEAR 2022

AMERICAN RESCUE PLAN ACT FUND CARRYOVER BUDGET
(110th FISCAL YEAR)

WHEREAS, the Board of County Commissioners, the governing body of the County of Bernalillo has developed a projected Fund Carryover budget in the amount of \$65,955,646.50 for fiscal year 2022.

WHEREAS, the Board of County Commissioners has determined that the budget meets the County's requirements for fiscal year 2022. The budget carried forward will be the amount that is available on July 1, 2021; and

WHEREAS, after review and approval from the Department of Finance and Administration, Local Government Division, the necessary actions shall be taken and all necessary adjustments shall be made.

NOW, THEREFORE, be it resolved by the Board of County Commissioners of Bernalillo County that the fiscal year 2022 budget for American Rescue Fund Carryover having been duly heard, is hereby adopted, and that Bernalillo County is authorized to operate under these budget guidelines until DFA approval.

<i>Revenue Source Carryovers</i>	FY22 Budget
a. 12501 American Rescue Act Fund	\$65,955,646.50
Total Revenue Projected Carry forward	\$65,955,646.50

Expenditure	Encumbrances	Unencumbered	Total
a. 12501 American Rescue Act Fund	\$0	\$65,955,646.50	\$65,955,646.50
Total Expenditure Carry forward	\$0	\$65,955,646.50	\$65,955,646.50

CONTINUATION PAGE 2, FINANCIAL RESOLUTION **FR 2021-59.**

NOW, THEREFORE, be it resolved by the Board of County Commissioners, the governing body of Bernalillo County this 25th day of May, 2021.

BOARD OF COUNTY COMMISSIONERS

Charlene E. Pyskoty, Chair

Steven Michael Quezada, Vice Chair

Debbie O'Malley, Member

Adriann Barboa, Member

Walt Benson, Member

ATTEST:

Linda Stover
County Clerk

REVIEWED BY:

DocuSigned by:



18A1D58D4B7B46D...

Shirley Ragin
Deputy County Manager for Finance

APPROVED AS TO FORM:

DocuSigned by:



8CDFE34E6D6147D...

W. Ken Martinez
County Attorney

Certificate Of Completion

Envelope Id: 9872D46256B7470D9B8386BF1C92EC07

Status: Completed

Subject: FR 2021-59

Source Envelope:

Document Pages: 2

Signatures: 2

Certificate Pages: 2

Initials: 0

AutoNav: Enabled

Enveloped Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:

Julie Anne Baca

707 17th Street Suite 4000

Denver, CO 80202

jubaca@berncogov

IP Address: 69.5.90.9

Record Tracking

Status: Original

5/25/2021 7:55:38 PM

Holder: Julie Anne Baca

jubaca@berncogov

Location: DocuSign

Signer Events

Shirley Ragin

sragin@berncogov

Deputy County Manager

eSign

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:



18A1D58D4B7B46D...

Signature Adoption: Pre-selected Style
Using IP Address: 160.230.248.39**Timestamp**

Sent: 5/25/2021 7:55:39 PM

Viewed: 5/25/2021 7:56:48 PM

Signed: 5/25/2021 7:57:14 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

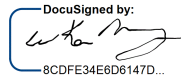
Ken Martinez

kenmartinez@berncogov

eSign

Security Level: Email, Account Authentication
(None)

DocuSigned by:



8CDFE34E6D6147D...

Signature Adoption: Drawn on Device
Using IP Address: 73.98.9.195
Signed using mobile

Sent: 5/25/2021 7:57:15 PM

Viewed: 5/25/2021 10:25:07 PM

Signed: 5/25/2021 10:25:15 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

5/25/2021 7:55:39 PM

Certified Delivered

Security Checked

5/25/2021 10:25:07 PM

Signing Complete

Security Checked

5/25/2021 10:25:15 PM

Envelope Summary Events	Status	Timestamps
Completed	Security Checked	5/25/2021 10:25:15 PM
Payment Events	Status	Timestamps



FINANCIAL ANALYSIS FORM

SECTION 1: GENERAL INFORMATION

Request Type: Agenda Item/Financial Resolution (FR)

Date: May 25, 2021

Department: Finance

Form Prepared By:

(Name, Title & Phone Number) Jenny Haikin, Sr. Financial Management Analyst (505) 468-7151

Form Reviewed By: Dana L. Sanchez, Senior Budget Analyst, (505) 448-3254

(1 thru 5 or all) BCC District:

All

SECTION 2: REQUEST OVERVIEW

To approve and to budget the American Rescue Plan Act (ARPA) funding. The County will be receiving a total of \$131,911,293.00. The distribution of the funding will be in two 50% direct allocations (tranches) each of \$65,955,646.50; the first one was received on May 19, 2021 and the second will be delivered 12 months later.

CIP Database Project ID number(s):

SECTION 3: FUNDING SOURCE AND/OR REVENUE IMPACT

REQUIRES IMPACTED DEPARTMENT ACTION TO BUDGET IN FUTURE FISCAL YEARS

Funding Source	NEW	EXISTING	FY21	FY22	FY23	FY24	FY25	TOTALS
<u>RECURRING</u>								
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL RECURRING			-	-	-	-	-	\$ -
<u>NON-RECURRING</u>								
ARPA Funding	x		65,955,647					\$ 65,955,647
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL NON-RECURRING			65,955,647	-	-	-	-	\$ 65,955,647
Total Revenues			65,955,647	-	-	-	-	\$ 65,955,647

*New = New Funding Request/Not Currently Budgeted OR

Existing = Funding Exists in the Budget

TOTAL REVENUES \$ 65,955,647

SECTION 4: EXPENDITURE & STAFF IMPACT

REQUIRES IMPACTED DEPARTMENT ACTION TO BUDGET IN FUTURE FISCAL YEARS

Expenditure Description	NEW	EXISTING	FY21	FY22	FY23	FY24	FY25	TOTALS
<u>RECURRING</u>								
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL RECURRING			-	-	-	-	-	\$ -
<u>NON-RECURRING</u>								
ARPA Expenditures	x		65,955,647					\$ 65,955,647
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL NON-RECURRING			65,955,647	-	-	-	-	\$ 65,955,647
Sub-total Operating Expenditures			\$ 65,955,647	\$ -	\$ -	\$ -	\$ -	\$ 65,955,647

*New = New Funding Request/Not Currently Budgeted OR

Existing = Funding Exists in the Budget

Staff Position Title	Status*	New	Existing	FY21	FY22	FY23	FY24	FY25	TOTALS
Non Applicable									
									\$ -
Please provide allocation on the tab "Staffing Request Detail"									
Sub-total Staff Cost Expenditures				-	-	-	-	-	\$ -

*Status of Position enter FT = Full-Time Equivalent, PT = Part-Time FTE, T = Term

TOTAL EXPENDITURES 65,955,647 - - - - 65,955,647



FINANCIAL ANALYSIS FORM

TOTAL EXPENDITURES \$ 65,955,647

SECTION 5: NARRATIVE

FISCAL IMPLICATIONS

Historical Information and Existing Funding (include match and in-kind funding) - The American Rescue Plan Act (ARPA) will provide \$350 billion in federal fiscal recovery aid for state and local governments, \$65.1 billion is provided in direct aid to counties and an additional \$1.5 billion for public land counties to combat the COVID-19 pandemic, including the public health and economic impacts.

Current Financial Impact of Proposed Action - Upon approval, the finance department will budget \$65,955,646.50 in the American Rescue Plan Fund (ARP) in FY21. The ARP Act allows payments from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) to be used in the following ways:

- (1) Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- (2) Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- (3) Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- (4) Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- (5) Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Future Financial Implications - The distribution of the funding will be in two 50% direct allocations (tranches) each of \$65,955,646.50; the first one was received on May 19, 2021 and the second will be delivered 12 months later. The finance department will work with the budget office to budget the second increment in FY22.

OTHER SIGNIFICANT ISSUES

Departmental Impacts - Accounting and Budget will be responsible for tracking expenditures related to ARPA expenditures.

Impacts to Other Departments - Departments will track and monitor their ARPA expenditures and provide a report to Accounting and Budget.

Interdepartmental Communication - Communication will go out to departments on how to report ARPA expenditures.

JUSTIFICATION

Mandated - Not mandated.

Program Relevance - Amounts paid to States, the District of Columbia, U.S. Territories, and eligible units of local government are based on population as provided in the ARP Act. \$65.1 billion in federal aid will be distributed to all counties based on the county share of the U.S. population. Counties with a population of at least 50,000 will receive direct federal aid. The ARP Act directs Treasury to use U.S. Census Bureau data for the most recent year for which data is available.

Other Relevant Information - Bernalillo County was identified as an eligible local government and has submitted its online certification for receipt of the funds. This motion is to accept the funds which will be recorded in a Special Revenue Fund.

ALTERNATIVES

At this time there is not an alternative to this funding.

BUDGET OFFICE REVIEW

The budget office has reviewed this financial analysis and sees no issues prohibiting its approval. The finance department will budget \$65,955,646.50 in the American Rescue Plan Fund (ARP). The ARP Act allows payments from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) to be used by the county in various ways specified in the above narrative. The distribution of the funding will be in two 50% increments of \$65,955,646.50 each; one in 2021 and one in 2022. The finance department will work with the budget office to budget the second increment in FY22.

OMB Approved No.:1505-0271
Expiration Date: 11/30/2021

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND

Recipient name and address: Bernalillo County New Mexico One Civic Plaza NW, 10th Floor, Suite 10111 Albuquerque, New Mexico 87102-2169	DUNS Number: 069424356 Taxpayer Identification Number: 856000202 Assistance Listing Number and Title: 21.019
--	--

Sections 602(b) and 603(b) of the Social Security Act (the Act) as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 (March 11, 2021) authorize the Department of the Treasury (Treasury) to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Recipient hereby agrees, as a condition to receiving such payment from Treasury, to the terms attached hereto.

Recipient:

Authorized Representative:

Title:

Date signed:

U.S. Department of the Treasury:

Authorized Representative:

Title:

Date signed:

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 15 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds.

- a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.

4. Maintenance of and Access to Records

- a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
- c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.

8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of section 602 of the Act, regulations adopted by Treasury pursuant to section 602(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award include, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

- v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.
 - viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 - ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
 - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
10. Remedial Actions. In the event of Recipient's noncompliance with section 602 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 602(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 602(e) of the Act and any additional payments may be subject to withholding as provided in sections 602(b)(6)(A)(ii)(III) of the Act, as applicable.
11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
13. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."
14. Debts Owed the Federal Government.
- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to sections 602(e) and 603(b)(2)(D) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
 - b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.
15. Disclaimer.

- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Treasury employee responsible for contract or grant oversight or management;
 - v. An authorized official of the Department of Justice or other law enforcement agency;
 - vi. A court or grand jury; or
 - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

ASSURANCES OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS
ASSURANCES OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

As a condition of receipt of federal financial assistance from the Department of the Treasury, the recipient named below (hereinafter referred to as the “Recipient”) provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Recipient’s beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The assurances apply to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Recipient’s program(s) and activity(ies), so long as any portion of the Recipient’s program(s) or activity(ies) is federally assisted in the manner prescribed above.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient’s successors, transferees, and assignees for the period in which such assistance is provided.
5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient’s sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal

financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.
8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.
9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

Bernalillo County New Mexico
Recipient

Date

Signature of Authorized Official

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 30 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.



Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State & Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



For More Information: Please visit www.treasury.gov/SLFRP

For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries: Please email SLFRP@treasury.gov for additional information



Example Uses of Funds



Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response



Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to a counter-factual trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag



Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund



Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments



Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs



Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages



Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund



Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury’s Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts
 - ✓ Enhancement of healthcare capacity, including alternative care facilities
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
 - ✓ Enhancement of public health data systems
 - ✓ Capital investments in public facilities to meet pandemic operational needs
 - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
 - ✓ Mental health treatment
 - ✓ Substance misuse treatment
 - ✓ Other behavioral health services
 - ✓ Hotlines or warmlines
 - ✓ Crisis intervention
 - ✓ Services or outreach to promote access to health and social services
- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. **Addressing the negative economic impacts caused by the public health emergency**

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. Serving the hardest-hit communities and families

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. Replacing lost public sector revenue

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- | | |
|---|---|
| ✓ Staff at nursing homes, hospitals, and home-care settings | ✓ Truck drivers, transit staff, and warehouse workers |
| ✓ Workers at farms, food production facilities, grocery stores, and restaurants | ✓ Childcare workers, educators, and school staff |
| ✓ Janitors and sanitation workers | ✓ Social service and human services staff |
| ✓ Public health and safety staff | |

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.